

## GLOSSARY

**Accredited certification organization** A qualified entity to attest to the conformity of specified requirements and norms in order to obtain certification by the accreditation agency.

**Administrative Sanctions** Administrative sanctions are those that result from the executive branch of the government or one of its agencies delegated through ordinary administrative procedures (warnings, fines, partial prohibitions, as well as temporary or definitive prohibitions, among others)

**Atmospheric emissions** Substances in the form of particulates, gases and aerosols that are formed as sub-products of the processes of combustion or transformations of raw materials, which, when launched in the atmosphere in concentrations superior to the capacity of the environment to absorb them, causing changes in the air quality.

**Audit Committee** Statutory entity formed by members of the board of directors, which reports to the full Board of Directors to deal with matters related to norms that must be complied with by the independent auditors contracted by these institutions. The Committee is set up to analyze the financial statements, coordinate the supervision and the accountability of the financial area, guarantee that the directors develop reliable internal controls and that the internal audit performs its role adequately, establishing the remuneration, accompanying the work, and where applicable, deciding on dismissing the independent auditors, ensuring with zeal that the auditors conduct a correct review of the practices of the directors and the internal audit.

**Balance of growth – (sustainable growth)** This indicator is proposed to identify if the company compares the variation of the volume of its operations (revenues) with the level of financing for its assets (permanent assets and working capital). This proposal is a measuring mechanism for companies which record an increase in revenue levels: to compare the rate of growth of the business volume (g) and the rate by which the company could grow in a balanced fashion, without compromising its financial health (g<sup>★</sup>). The g/g<sup>★</sup> ratio should tend to achieve the same unity (1).

The term  $g^*$  is calculated by the variation of net assets divided by net assets of the beginning of the period, or by the formula: net margin x asset turnover x financial leverage x retained earnings, where: net margin=net profit/net revenues; assets turnover=net revenues/total assets; financial leverage = total assets/net assets; retained earnings=(net profit –dividends)/net profit. The term  $g$  represents the growth of the company. If the company wants to increase its business volume at a rate above  $g^*$  it should improve the operational efficiency (margin and/or turnover) or improve its leverage (spontaneously) or increase the retained earnings (reducing the dividends to shareholders) In some cases, it may be necessary to limit business growth to conserve the financial health and economic profit. In companies where  $g^*$  is higher and business economic growth is in decline, the calculation procedures are the same. In this case the resources can be returned to shareholders or invested in new business operations with growth opportunities.

**Bottom of the Pyramid** the socio-economic designation of four billion persons who live in developing countries, whose yearly income is less than US\$ 1500, who have become the target of companies and organizations, not only to meet their consumption needs, but also as a business opportunity. The strategies of the Bottom of the Pyramid (BOP) focuses on win-win solutions for both companies and consumers to promote business and socio-economic development of the underprivileged populations by offering culturally and ecologically adequate products and services.

**Bribery, Corruption, tipping** Principle 10 of the Global Compact proposes that “the companies must combat corruption in all its forms, including bribery.” This refers to the theme of the UN Convention Against Corruption (Medina, México 24 June, 2004).

**Business chain** The feasibility of socially responsible companies is directly related to the quality of its ties or links created with suppliers and clients. These two groups are strategic in creating economic and social value. Promoting social responsibility in the business chain involves establishing objective social relations with suppliers and clients related to the business objective or purpose and the social development that takes into consideration relevant values for the companies

and for society. The quality of relations between the associates does not only impact on levels of satisfaction of different public groups, but also influences the reputation of the company itself.

**Business Sustainability** For the business sector, the concept of sustainability represents a new approach to conduct business, which simultaneously, promotes social inclusion (regarding cultural diversity and the interests of the public as a whole, directly or indirectly involved in the business), reducing or optimizing the uses of natural resources and the impact on the environment preserving the integrity of the planet for future generations, without de-emphasizing the financial-economical aspect of the business. This approach, together with best practices of corporate governance, creates value for the shareholder and provides a greater probability of the continuity of the business over the long term (perennial nature), and at the same time contributes to the sustainable development of the society of the planet as a whole.

**Child labor** Various conventions of the International Labor Organization (ILO) oblige signatory countries to promote the abolition of child labor. Convention No. 138, on minimum age, seeks to end child labor by stipulating that the minimum age to begin employment should not be less than the age of a student's compulsory education. Convention 182, in turn, deals with the Worst Forms of Child Labor and defends the adoption of immediate and efficient measures which guarantee the prohibition and elimination of these worst forms of child labor.

**Chlorofluorocarbons – CFC** a substance that destroys the ozone layer (SDO), a layer of gas located between 15 to 55 kilometers above the earth's surface, which protects us from ultraviolet (UV) radiation of the sun. The production of SDOs is regulated by an international convention of 1987, known as the Montreal Protocol on Substances that Destroy the Ozone Layer, and subsequent amendments and substances. The protocol calls for a gradual reduction of emissions of SDOs, among them CFC.

**Code of Conduct** Manual prepared by the directors in accordance with the principles and policies defined by the Board of Directors, setting up guidelines for administrators, directors and employees for daily professional conduct. The Code of Conduct should also define social and environmental responsibilities.

**Color or Race** Characteristics declared by persons based on the following options: white, black yellow (persons of Japanese, Chinese, Korean origin, etc.) dark (mulatto caboclo, cafuso, mameluco or mixture of black with a person of another race or color), or indigenous (person of an indigenous or native Indian race) in accordance with the Brazilian Geographical and Statistic Institute-IBGE.

**Conflict of Interests** A conflict of interest exists when some person or group is not independent regarding the topic under discussion and can influence or make decisions motivated by interests that may be different from those of the organization. Source: Código das Melhores Práticas de Governança Corporativa, IBGC, São Paulo, 2004. (Best Corporate Governance Practices' Code, published by a Brazilian institution called IBGC – [www.ibgc.org.br](http://www.ibgc.org.br))

**Consolidated Financial** Statements Consolidated financial statements as understood in accordance with the definition in CVM INSTRUCTION N° 247, of March 27, 1996

**Consolidated** Revenues from the companies of the group, in accordance with the Instruction CVM 247 of March 27, 2003, and related documents,

**Contract for specified time period** A contract for a specific time period is a labor contract that stipulates in advance the date the employee begins and ends work in an agreement between the employee and employer. It can be extended as often as the parties desire to a maximum of two years. This contract is based on Brazilian Law 9.601/98, and depends always on an agreement or collective bargaining and covers any activity of the company. The increase in the number of jobs is obligatory. If the worker is to be hired after two years, both the worker and company must wait six months before a new contract for a specified time period can be

put into effect. The company, however, can hire the worker for an unspecified time period if it does not want to wait six months.

**Controlled companies** Controlled companies are understood to be those companies, listed or not on the Bovespa exchange, that are required to have their financial statements and related documents consolidated, in accordance with Article 3º. of CVM INSTRUCTION 247 of 27 March, 2003.

**Corporate policy** Document which expresses the intentions and general guidelines related to management aspects of an organization. It must be formally approved by the Board of Directors.

**Cost of Capital** The rate in which capital is attractive, used in investment analyses. It is composed by the weighted average of the cost of capital by owners and by third parties.

**Critical Suppliers** Critical suppliers are those whose processes are directly linked to services rendered or to the supply of products to the company which could generate significant environmental impacts.

**CVM** – Comissão de Valores Mobiliários (Securities and Exchange Commission of Brazil).

**Discrimination in the workplace** Convention 111 of the International Labor Organization (ILO), of 1958, calls for a formulation of a national policy which eliminates all forms of discrimination in the work place, professional training and work conditions based on race, color, sex, religion, political opinion, national ascendancy or origin, and the promotion of equal opportunities and treatment.

**Economic Profit/Residual Profit** This concept is the profit obtained after the deduction of the cost of all the capital invested. Economic profit = operating profit after income tax (-) cost of capital invested. One assumes, as a best practice, that the financial statements are updated to reflect inflation. Economic profit is also known as residual profit, EVATM, GVA, among others.

**Equator Principles** (specifically for the financial sector) Series of principles developed and adopted voluntarily by some international and Brazilian financial institutions in the sphere of project finance, seeking to make investments and financial operations compatible with socio-environmental sustainability. They include: requirement for preparing environmental and social studies, preparation of environmental management plans, disclosure of relevant information, public hearings with adequate time frames or schedules involving all the pertinent persons and groups (actors), in a culturally appropriate form, follow-up and monitoring of projects, and training of staff in socio-environmental matters. For further information consult: [www.equatorprinciples.com/principles.html](http://www.equatorprinciples.com/principles.html)

**Effluents** Discharges in the environment of industrial or urban solid, liquid or gaseous residues, either in their natural state or partially or fully treated and processed.

**Environmental Aspect** any “element of activities or products or services of an organization that can integrate with the environment,” in accordance with NBR ISO 14001/2004

**Environmental impacts** Pollution, degradation of environmental quality resulting from activities that directly or indirectly: a) are harmful to health, security, and the welfare of the population; b) create adverse conditions for social and economic activities; c) affect unfavorably the biota ( the totality of living beings) ; d) affect esthetic or sanitary conditions of the environment; e) launch matter or energy that fail to comply with accepted environmental standards established in accordance with Federal Law 6938/81.

**Executive Session** Part of the meeting of the Board of Directors in which the main executive or members of the directors do not participate.

**Forced or compulsory labor** Conventions 29 and 105 of the ILO refer to the theme of forced or obligatory labor. Convention 29 (Forced labor –1930) deals with the elimination of forced or obligatory labor in all its forms. It allows a few exceptions, such as military ser-

vice, work in prisons adequately supervised and obligatory work in emergency situations, such as wars, fires, earthquakes, etc.. Convention 105 (Abolition of forced labor - 1957) prohibits the use of any form of forced or obligatory work in the forms of: measures of coercion or education policies, punishment for expressing an opinion, policies or ideologies, mobilization of manpower, disciplinary work measures, punishment for participation in strikes or discriminatory measures.

**Free float (Trading Shares):** Number of shares of a company available for negotiation in the capital markets, that is to say, all the shares emitted by the company except : (i) shares held by the controlling shareholder, his/her spouse, companion and dependents for income tax purposes; (ii) shares held in the treasury; (iii) shares held by subsidiary or controlled and associated companies, and the share of other companies that are part of the same group legally or in actual terms; (iv) shares held by subsidiary and associate companies of the controlling shareholder, such as other societies or companies that are part of the same group legally or in actual terms; and (v) special preferred shares whose purpose it is to guarantee differentiated political or policy rights, which are non-transferable and are the exclusive property of a privatization entity. Source: Código das Melhores Práticas de Governança Corporativa, IBGC, São Paulo, 2004 (Best Corporate Governance Practices' Code, published by a Brazilian institution called IBGC – [www.ibgc.org.br](http://www.ibgc.org.br))

**Freedom of association and collective bargaining rights** - The ILO Conventions 87 and 98 of the ILO refer to this theme. Convention 87 (Freedom of Association and Protection of the Right to Organise Convention, 1949) establishes the right of all workers and employers to set up the organizations they consider convenient and to affiliate with them without prior authorization. It covers a series of guarantees for the freedom of these organizations to function, without interference from public authorities. Convention 98 (Right to Organise and Collective Bargaining Convention -1949) stipulates protection against all acts of discrimination which reduces union freedom, protection of workers and employers organizations against interference of one against the other, and measures to promote collective bargaining.

**Global Commitments** Commitments with environmental protection and the improvement of the quality of life on the planet.

**Global Pact** In his speech in the “World Economic Forum”, of January 31 1999, The General Secretary of the United Nations, Kofi Annan, challenged business leaders to unite in an international effort - a Global Pact- to integrate companies, UN agencies, social organizations to support the implementation of the principles of human rights, workers rights, protecting the environment and the struggle against corruption. Through the power of collective action, the Global Pact, “business citizenship”, is to be promoted so that companies could engage in promoting solutions to the challenges from globalization and a more sustainable and inclusive global economy. Today hundreds of companies all over the world have become integrated in this Global Pact initiative, led by the General Secretary of the United Nations. UN. For further information:

**Greenhouse gases** Gaseous constituents in the atmosphere, either natural or antropic, which absorb and re-emit infrared radiation, whose mission were regulated by the Kyoto Protocol, the supplementary international treaty to the United Nations Convention on Climate Change.

**Heavy Metals** Heavy metals are a group of chemical elements that present a relatively high density and a certain toxic impact on human beings. The dumping of residues containing heavy metals in water courses and in the ground, as well as discharging them in the atmosphere, are important sources of contamination of the environment and living beings.

**ILO Labor Standards** International work norms adopted in the sphere of the International Labor Organization, one of the organizations of the United Nations.

**Impact of inflation on the financial statements** The accounting and financial records of a company are used in the decision making processes, not only by investors but also by managers. If the aforementioned information were made available in nominal values, this im-

plies that the impact of inflation is not relevant. Brazilian reality, after the Real Economic Plan, presented a relative currency stability where the inflation indexes were significantly reduced. However it must be emphasized that in the period between 1996 and 2004 the accumulated inflation indices showed a variation of 167%, and the IPCA 93%. As the basic principles of evaluating investments are comparability and consistency, the analyzes of economic-financial performance of a company using nominal data contain information that do not portray the economic reality, distorting the relations between values and indicators, causing one to reach conclusions that could compromise the results and indicators of profitability. That is to say, the nominal data ignore the variations of the value of money over time and distort and simplify economic reality. Technical criteria should be adopted so that this question is treated in an appropriate matter to achieve transparency of information for all the stakeholders and the preservation of the concept of value and return on investments.

**Independent Audit** An audit by a firm that is independent of the company or organization and exempt from conflict of interests. It is the auditors' duty to verify if the financial statements adequately reflect the real situation of the organization. Source: Código das Melhores Práticas de Governança Corporativa, IBGC, São Paulo, 2004. (Best Corporate Governance Practices' Code, published by a Brazilian institution called IBGC – [www.ibgc.org.br](http://www.ibgc.org.br)).

**Independent Counselor/Board Member** The independent counselor or board member is characterized as follows: He/she has no connection with the company except perhaps a possible shareholding in company capital; he/she has no controlling shares (shares with voting rights) in the company, nor is a member of the control group, or spouse or parent to the second degree of consanguinity, or is a connected to organizations related to the controlling shareholder(s); c) he/she was never an employee or director of the company or any of its subsidiaries; d) he/she is not supplying or purchasing directly or indirectly services and/or products of the company; e) he/she is not a director or employee of a company that is offering services and or products to the company f) he/she is not a spouse or parent to the second degree of

consanguinity of any director or manager of the company; g) he/she does not receive any other remuneration from the company except for the honorarium of a member of the board of directors (dividends from any possible participation in share capital are excluded from this restriction)

**Indirect Impacts** “The total economic impact of an organization causes indirect consequences that result in external factors, which, in turn, cause impacts on the communities. The external factors are those costs and benefits that result from a transaction and are not completely reflected in the total amount of the operation. A community can be a neighborhood, a country, an interest group or a minority group within a society. Although they are often very complex, the indirect impacts are measurable. However, considering the variety of situations faced by reporting organizations, the GRI did not identify up to the present any generic series or combination of such indicators. As a result, each organization should select performance indicators based on their own analysis. Information regarding the general method used by a reporting organization to identify and manage direct impacts are presented in item 3.17 in the section “Structure of Governance and Management Systems”. Examples of external factors are: innovations calculated by means of patents and business associations, economic effects (positive or negative) of changes in the locations or changes in operations, contribution of one sector to the GDP, or changes in national competitiveness. Examples of the impact on the community: dependency of the community on the activities of the organization; skill of the organization in attracting more investments to the area; location of suppliers. A more profound analysis of the indirect economic impacts is available through discussion papers prepared by the Economics Sub-group of the Measurement Working Group and may be found in the GRI website.”  
Source: Global Reporting Initiative, Sustainability Reporting Guidelines, 2002 - [www.globalreporting.org](http://www.globalreporting.org)

**Intangible Assets** Intangible Assets are rights, without a physical presence, which gives a company an exclusive or preferential position in the market, that is to say, contributes to the company’s value. In some cases these intangible assets may be registered as assets in the accounting books ( for example: patents, public concessions, right of

reproduction, licenses). In other cases, although they contribute to a company's value, they cannot be recorded in the accounting books. (For example, client portfolio, company's reputation).

**Interested parties ( Stakeholders )** Relevant parties with interests related to the company, or individuals or entities that assume some type of risk, direct or indirect, in society. They include, aside from the shareholders, the employees, clients, suppliers, creditors, governments, among others.

**Internal Regulations of the Board** Series of norms and regulations that describe the responsibilities, duties, functioning, work routines and interaction between the main bodies of a company, including the Board of Directors, its committees, directors, Fiscal Council and Consultation Council, where appropriate, foreseeing situations of conflict, especially with the Chief Executive Officer (CEO). Código das Melhores Práticas de Governança Corporativa IBGC, São Paulo, 2004. (Best Corporate Governance Practices' Code, published by a Brazilian institution called IBGC – [www.ibgc.org.br](http://www.ibgc.org.br) ) ,

**International Labor Organization (ILO)** Conventions International treaties resolutions approved through this United Nations Organization.

**Last 3 years** Considering the period from July 1 2002, to June 30, 2005.

**Legal Reserve** Area located within a rural property, not including a permanent preservation area, according to Brazilian Forest Code, which is necessary for the sustainable use of natural resources and the rehabilitation of ecological processes to preserve biodiversity and shelters and protection for native flora and fauna. The legal definition provided by the Forest Code states a minimum part of the area (20%) of each property must be preserved so that vegetation, especially trees, cannot be fully cut. This area should be registered on the margin of the deed and title of the property in the appropriate real estate registration office. It is prohibited to change its legal reserve function, whenever

the deed and title of said property is transmitted or transferred to another party for any reason whatsoever, nor can the area be subdivided. (The text is included in Forest Code Law 7.803 - 18.7.1989).

**Life cycle (or Life Cycle Analysis)** This consists of examining the life cycle of a product, process, system or function, in an effort to identify its environmental impact over the trajectory of its “existence.” This includes starting from the extraction of the natural resource(s) used in the production, the processing to transform it into a product, transportation, consumption, use or re-use, recycling, until the item is finally disposed of or consumed. It is common to use the figure of speech “from the cradle to the grave” to exemplify this concept.

**Logistics** Logistics is the process of planning, implementing and controlling efficiently the flow and storage of products as well as services and related information, with a scope that begins with the point of origin of the suppliers and continues until the product or service is made available to consumers, aiming to heed consumer needs and requirements. (Council of Supply Chain Management Professionals - CSCMP, 2005).

**Moral Harassment** Exposing male or female workers to humiliating and embarrassing repetitive and prolonged situations during the work period and while they are performing their work tasks. This harassment is more common in authoritarian, hierarchical asymmetrical situations, where negative conduct, inhuman and unethical relations predominate over a relatively long period of time, by one or more executives or superior officers or managers directed at one or more subordinates.

**Permanent Preservation Area** Protected area defined in the terms of Articles 2 and 3 of the Forestry Code - Código Florestal (Law 4771, of 1965), whether covered or not by native vegetation, with the environmental function to preserve water resources, landscape, geological stability, biodiversity, the genetic flow of fauna and flora, protect the soil and ensure the welfare of human populations. It is not included in the legal reserve (mandatory) area.

**Persistent Organic Pollutant (POP)** Extremely toxic substances, formed by organic chemical compounds that have an affinity with living being cells, which accumulate in the environment and in persons, plants and animals. They are substances generated in various industrial processes, among them: production of PVC, paper production, generation and composition of agricultural products, incineration of garbage and waste; industrial processes that use chloride products and petroleum derivatives. They are resistant to chemical, biological and photolytic (light) degradation and affect human health and ecosystems, even in small concentrations.

**Post-consumption** The consideration of the post-consumption effect of products and goods has become a more general practice, since important environmental impacts were discovered in the disposal or dumping of rejects in waste dumps, sanitation landfills, water courses and in the soil in general, with subsequent impacts on human health and quality of the environment. The post-consumption effect is the impact caused by throwing away and disposal of products or materials after being consumed. This concern is included in the analysis of the life cycle of the product and in eco-efficiency strategies, when one attempts to minimize the impacts in all the phases of the life cycle of a product from the extraction of the raw material to the final disposal of the product, passing through the trajectory of the productive process and consumption. Examples of products that have after-consumption impacts: batteries, plastics, tires, etc. The concept of post-consumption is being widely incorporated in the legislation of various countries, especially in the European Union. The responsibility of companies for the post-consumption phase of their products is already a reality. One example in Brazil is the post-consumption effect of tires.

**Radioactive substances** Substances that contain radioactivity as a result of the disintegration of atomic nuclei, with the emission of alpha particles, electrons, positrons and electromagnetic radiation.

**Regional Impact** Impact that extrapolates the limits of the county or municipality where the organization is located and develops its operations.

**Related Parties** Controlled companies, associated companies, subsidiaries, shareholders, or administrators.

Remuneration Equality Convention 100, of 1951, of the International Labor Organization (ILO) Equal Remuneration Convention, 1951, which calls for the equality of remuneration and benefits between men and women for performing work of the same value.

**Sexual Harassment** Law 10.224, of May 15, 2001, introduces the concept in the Penal Code (Law Decree n. 2.848, of 1940), in the Chapter on Crimes against Sexual Liberty. According to Art. 216-A, the crime of sexual harassment is constituted when one intends to obtain sexual advantage or favors when one is a hierarchical superior or has an inherent ascendancy in terms of employment, position, or function”.

**Significant impacts** Environmental risks and public health, as such, are negative impacts.

**Structured plans and programs** A program should at least cover the following characteristics and elements: it should be documented, identifying clearly the objectives and goals to be met, contain performance indicators to verify the results, identification of the person or persons responsible for the measures to be taken. It should also have a formally established and approved physical-financial time frame, schedule or timetable and a defined source of funding.

**Sustainable Development** Development that enables one to meet the needs of present generation without compromising the needs of future generations. Brundtland Commission, 1987.

**Tag along** Tag along is the act of extending partially or totally, to all the partners of a company, the same conditions obtained by the controlling shareholders when the control of a company is sold. Source: Código das Melhores Práticas de Governança Corporativa IBGC, São Paulo, 2004. (Best Corporate Governance Practices’ Code, published by a Brazilian institution called IBGC – [www.ibgc.org.br](http://www.ibgc.org.br))

**Term of Adjustment of Conduct (TAC)** An extra-judicial term foreseen in the Law of Civil Public Action 7.347, of July 24 1985. According to the Definition of the Law of Civic Public Action, authorized government bodies may oblige the interested parties to assume a commitment to change their conduct to conform with prevailing legislation, by means of an extrajudicial action or term, which has the authority and efficacy of an out of court action (Paragraph included in Law 8.078 -11.9.1990).

**Third parties** The process of outsourcing to third parties is characterized when a specific activity is no longer carried out by workers of a company, called the “mother company”, and is transferred to another company, outsourced company. (Source: Site DIEESE - [www.dieese.org.br](http://www.dieese.org.br)). Regarding these relations between companies, one has noted the accelerated process of outsourcing. It was initially restricted to production support services, but now outsourcing is carried out in areas directly related to production, which had previously been carried out by employees of the “mother company”.

**Toxic and Dangerous Substances** Toxic and dangerous substances are chemical substances of various types that have a poisonous nature, which, in specific concentrations, can immediately damage the health of persons and may be fatal. These dangerous substances are chemical materials that can produce an immediate, medium term or retarded damage to the environment (which includes the community and the biodiversity of the animal and vegetable species), persons and property.

**Value added distribution:** This item is part of a series of indicators that compose the IBASE model Social Balance Sheet/ Financial Statement ([www.ibase.org.br](http://www.ibase.org.br)) and integrates the statement of value added. In accordance with the Brazilian Accounting Principles 3.7 (NBC 3.7), the Statement of Value Added is the accounting statement with purpose it is to evidence, concisely, the date and information of the value generated by an entity in a specific period of time and its distribution. The Demonstration of Value Added serves the function of disclosing and identifying the value of wealth generated by the entity, whereas the distribution of added value reveals how this wealth was distributed among the different sectors that contribute, directly or in-

directly in generating this value or wealth. For more information, see FEDERAL ACCOUNTING COUNCIL- CONSELHO FEDERAL DE CONTABILIDADE - RESOLUTION CFC nº 1.010 de 21.01.2005, published in the government gazette, D.O.U.: 25.01.2005. <http://www.portaldecontabilidade.com.br/nbc/res1010.htm>. Also check: <http://www.balancosocial.org.br/cgi/cgilua.exe/sys/start.htm>

**Value Chain** The Value Chain of any company of any sector is the series of activities that create value, from the sources of the basic raw materials, passing through suppliers of components, up to the delivery of the product or service to the final consumer. The relationships and the engagement of the company with these different groups can be qualified as activities that create value.

**Voting regulations** The voting regulations should be well defined and available from the publication of the first announcement convocing the board or other body. These regulations should be made in order to facilitate voting procedures, including powers of attorney or other channels. The persons with the mandates should vote in according with the express instructions of the partners, as foreseen in the respective instrument of the mandate, which should be analyzed in good faith with a minimum or bureaucratic requirements. Source: Código das Melhores Práticas de Governança Corporativa IBGC, São Paulo, 2004. (Best Corporate Governance Practices' Code, published by a Brazilian institution called IBGC – [www.ibgc.org.br](http://www.ibgc.org.br))